AMENDMENTS TO THE SPECIFICATION:

Please amend the paragraph appearing at page 4, line 16 – page 5, line 3, as follows:

There is thus provided in accordance with a preferred embodiment of the present invention a wireless local loop system including a data network/PSTN gateway unit, at least one data line, at least one base station connected to the gateway unit via the at least one data line respectively, a multiplicity of wireless subscriber units communicating wirelessly with the base station, each wireless subscriber unit including at least one interface to at least one host including a telephone host, each subscriber unit including an analog converter (120b in Fig. 7) operative to translate incoming information in IP packet format into analog voice representation and to feed the analog voice representation to the telephone host, and to receive incoming analog voice information from the telephone host, to translate the incoming analog voice information into IP packet formatted information and to feed the IP packet formatted information to the base station, and a packet switcher (120a in Fig. 7) operative to perform packet switching on IP packets arriving from the base station connected to the subscriber unit, including routing IP packets for hosts other than the telephone host to those hosts and routing IP packets for the telephone host to the analog converter, and wherein the base station is operative to perform packet switching on incoming IP packets based on an IP destination address included in each incoming IP packet, and wherein the gateway unit is operative to switch incoming data packets onto the data network, to translate

incoming voice packets from IP packet format into analog voice representation and to

switch the analog voice representation onto the PSTN.